



**RPSA Exchange Load
&
Exchange Clarification for Consumer-Owned Utilities
Public Processes**

Public Workshops

January 15, 2009 9-12PM

January 16, 2009 1-4PM

Rates Hearing Room

Background

- In the 12/31/08 letter from Mark Gendron, BPA stated it would be running two separate, but concurrent public processes relating to exchange benefits for Consumer-Owned Utilities (COUs):
 - RPSA Exchange Load Public Process
 - Exchange Clarification for Consumer-Owned Utilities

- **Public Process #1: RPSA Exchange Load Public Process**
 - BPA did not finalize the methodology for calculating the Exchange Load of a utility that held a Contract High Water Mark (CHWM) contract post-2011. Instead the RPSA stated that the methodology would be determined later in a public process.
 - BPA is proposing to finalize the methodology through this process.

Background

- **Public Process #2: Exchange Clarification for Consumer-Owned Utilities**
 - In 2008 there were multiple BPA processes that impacted a COU's ability to exchange certain resource-related costs post-FY 2011 - the Average System Cost Methodology (ASCM), Residential Purchase and Sales Agreement (RPSA), Regional Dialogue Power Sales Contracts (RD PSC) and the Tiered Rates Methodology (TRM).
 - Because stated processes did not conclude concurrently, BPA indicated that it would review all decisions made in each of the processes for clarity and consistency.
 - BPA is proposing contract language that would provide clarity and certainty to COUs that hold a CHWM and want to participate in the Residential Exchange Program post-FY 2011.



Objectives of Public Process

1. Upon completion of Public Process #1, language defining how a COU's exchange load will be calculated will be added to the RPSA contract template.
2. Upon completion of Public Process #2, language pertaining to exchange benefits for customers who have signed a CHWM contract will be offered for inclusion in both the CHWM and RPSA contracts, if requested.



Content for Public Process #1

- The language proposes to limit the Exchange Load by the same percentage of the utility's Total Retail Load that is expected to be served by Tier 1 purchases from BPA and from Existing Resources for CHWM.
- This percentage (described above) would be calculated during each Rate Period High Water Mark (RHWM) process for the applicable rate period. Participants will then apply this percentage to their actual monthly Exchange Load in order to calculate monthly REP benefits.
- See additional handout – *Public Process #1: RPSA Exchange Load Public Process*.

Content for Public Process #2

- The proposed contract language clarifies how the 3 main components for determining exchange benefits for a utility that holds a CHWM contract are calculated:
 - The base Tier 1 PF Exchange Rate (before allocation of the 7b3 surcharge)
 - The utility's RHWMAverage System Cost (ASC)
 - The utility's RHWMAverage Exchange Load
- In addition, the language proposes a remedy for COUs if BPA should change any of the cited approaches associated with calculating exchange benefits for consumer-owned utilities to their detriment.
- See additional handout - *Public Process #2: Exchange Clarification for Consumer-Owned Utilities*.



Schedule/Next Steps

January 15-16	BPA Workshops
January 15	Start of public comment period
February 5	End of public comment period
~February	BPA publishes decisions on Public Process #1
~March	BPA publishes decisions on Public Process #2
Spring '09	New contract language offered (coinciding with other "Clean Up" amendments)